

House Bill 1131

By: Representative Sims of the 169th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 10A of Chapter 5 of Title 48 of the Official Code of Georgia Annotated,
2 relating to ad valorem taxation of heavy-duty equipment motor vehicles, so as to define
3 certain terms; to provide that the provisions of such chapter shall apply to certain rental
4 companies; to provide for the collection of a property tax recovery fee; to provide for the
5 payment of such funds into escrow; to provide for reporting; to provide for distribution; to
6 provide for related matters; to provide for an effective date; to provide for applicability; to
7 repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Article 10A of Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to
11 ad valorem taxation of heavy-duty equipment motor vehicles, is amended by revising Code
12 Section 48-5-505, relating to definitions, as follows:

13 "48-5-505.

14 As used in this article, the term:

15 (1) 'Dealer' means any person who is engaged in the business of selling heavy-duty
16 equipment motor vehicles at retail and who holds a valid current dealer's resale tax
17 exemption number.

18 (2) 'Heavy-duty equipment motor vehicle' means a motor vehicle with all its attachments
19 and parts which is self-propelled, weighs 5,000 pounds or more, and is primarily designed
20 and used for construction, industrial, maritime, or mining uses, provided that such motor
21 vehicles are not required to be registered and have a license plate.

22 (3) 'Renter' means any person who rents a heavy-duty equipment motor vehicle from a
23 rental company for his or her own use and not for rental to others.

24 (4) 'Rental company' means any person primarily engaged in the business of renting
25 heavy-duty equipment motor vehicles to other persons and who holds a valid current
26 dealer's resale tax exemption number."

SECTION 2.

Said article is further amended by revising Code Section 48-5-506, relating to heavy-duty equipment motor vehicles and dealers, as follows:

"48-5-506.

(a) The provisions of this article shall apply only to heavy-duty equipment motor vehicles, rental companies, and dealers as defined in Code Section 48-5-505.

(b) The provisions of Part 2 of Article 10 of this chapter shall apply to all other heavy-duty equipment motor vehicles, renters, rental companies, and dealers not provided for in subsection (a) of this Code section."

SECTION 3.

Said article is further amended by revising subsection (a) and paragraph (1) of subsection (b) of Code Section 48-5-507, relating to change of method of evaluating heavy duty equipment motor vehicles for ad valorem taxes and purpose, as follows:

"(a) Except as provided in Code Section 48-5-507.2 and subsections (b) and (c) of this Code section, every heavy-duty equipment motor vehicle owned in this state by a natural person or other entity is subject to ad valorem taxation by the various tax jurisdictions authorized to impose an ad valorem tax on property only if owned by such natural person or entity on the first day of January of any taxable year. Taxes shall be charged against the owner of the property, if known, and, if unknown, against the specific property itself. The owner shall return the heavy-duty equipment motor vehicle for taxation as provided in Article 1 of this chapter.

(b)(1) Any and all purchases of heavy-duty equipment motor vehicles by dealers for the purpose of resale shall be exempt from ad valorem tax at the time of the purchase by the dealer; provided, however, that purchases of heavy-duty equipment motor vehicles by rental companies for rental to others shall not be exempt."

SECTION 4.

Said article is further amended by adding a new Code section to read as follows:

"48-5-507.2.

(a) A rental company shall include in the agreement for the rental of any heavy-duty equipment motor vehicle a property tax recovery fee of 1 1/2 percent of the gross rental charge for such equipment and shall collect such recovery fee from the renter and remit all amounts collected or required to be collected as provided in this Code section. Such recovery fee shall be a legal debt owed by the renter to the rental company until paid.

(b) All amounts collected pursuant to subsection (a) of this Code section shall be deposited in a special escrow account established by the rental company. The funds in the escrow

1 account shall be used to pay the rental company's ad valorem property taxes. The moneys
2 in escrow shall be paid to the tax collector or tax commissioner when that county's tax bill
3 is due. The rental company shall be responsible for any unpaid taxes. Interest and
4 penalties shall remain as currently prescribed in Code Sections 48-2-40, 48-2-44, 48-5-23,
5 and 48-5-24.

6 (c) Each rental company shall file an annual report of gross rental charges on heavy-duty
7 equipment motor vehicles and the amount of recovery fee collected pursuant to subsection
8 (a) of this Code section at the same time as and to the same jurisdictions as the rental is
9 required to report the equipment for ad valorem property tax purposes.

10 (d) Except as otherwise provided in this Code section, heavy-duty equipment motor
11 vehicles which are owned by a rental company are not included within the distinct
12 subclassification of tangible property made by Article 10 of this chapter for all other
13 heavy-duty equipment motor vehicles. The heavy-duty equipment motor vehicles subject
14 to this Code section shall be returned for taxation as required for other personal property."

15 **SECTION 5.**

16 This Act shall become effective on January 1, 2009, and shall be applicable to tax years
17 beginning on and after that date.

18 **SECTION 6.**

19 All laws and parts of laws in conflict with this Act are repealed.